



CLAIRE C. McCASKILL
Missouri State Auditor

To the County Commission
and
Officeholders of Nodaway County, Missouri

The State Auditor's Office through the State Office of Administration, Division of Purchasing, contracted the audit services of Nodaway County, Missouri, for the two years ended December 31, 2000. A copy of this audit which was performed by McBride, Lock & Associates, Certified Public Accountants, is attached.

Claire C. McCaskill
State Auditor

Report No. 2001-74
August 31, 2001

NODAWAY COUNTY, MISSOURI

AUDIT REPORT
For Each of the Two Years Ended
December 31, 2000 and 1999

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FINANCIAL SECTION

Independent Auditor's Reports

McBRIDE, LOCK & ASSOCIATES

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

To the State Auditor of Missouri,
and
The County Commission of
Nodaway County, Missouri

We have audited the special-purpose financial statements of various funds of Nodaway County, Missouri, as of and for the years ended December 31, 2000 and 1999. These special-purpose financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these special-purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the special-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the special-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying special-purpose financial statements were prepared for the purpose of presenting the receipts, disbursements, and changes in cash of various funds of Nodaway County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the County and are not intended to be a complete presentation of the financial position and results of operations of those funds or of Nodaway County.

In our opinion, the special-purpose financial statements referred to in the first paragraph present fairly, in all material respects, the receipts, disbursements, and changes in cash of various funds of Nodaway County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the County as of and for the years ended December 31, 2000 and 1999, in conformity with the comprehensive basis of accounting discussed in Note 1, which is a basis of accounting other than generally accepted accounting principles.

In accordance with ***Government Auditing Standards***, we have also issued a report dated June 6, 2001 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with ***Government Auditing Standards*** and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the combined financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133, ***Audits of State, Local Governments, and Non-Profit Organizations***, and is not a required part of the special-purpose financial statements. Such information has been subjected to the auditing procedures applied in our audit of the special-purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the special-purpose financial statements taken as a whole.

Original Signed by Auditor

McBride, Lock and Associates

June 6, 2001

McBRIDE, LOCK & ASSOCIATES

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON
INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

To the State Auditor of Missouri,
and the County Commission of
Nodaway County, Missouri

We have audited the special-purpose financial statements of various funds of Nodaway County, Missouri as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated June 6, 2001.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Nodaway County, Missouri's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

However, we noted immaterial instances of noncompliance which we have reported to the management of the County in the accompanying Letter on Other Matters.

Internal Control Over Financial Reporting

In planning and performing our audit of the special-purpose financial statements of various funds of Nodaway County, Missouri, we considered the County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the special-purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the special-purpose financial statements being audited

may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting, which we have reported to the management of the County in the accompanying Letter on Other Matters.

This report is intended solely for the information and use of the State Auditor of Missouri; management of Nodaway County, Missouri; federal awarding agencies and pass-through entities; and other applicable government officials, and is not intended to be and should not be used by anyone other than these specified parties.

Original Signed by Auditor

McBride, Lock & Associates

June 6, 2001

Financial Statements

NODAWAY COUNTY, MISSOURI
STATEMENT OF RECEIPTS AND DISBURSEMENTS AND CHANGES IN CASH
YEAR ENDED DECEMBER 31, 2000

Fund Title	Cash January 1	Receipts	Disbursements	Cash December 31
General Revenue	\$1,570,484	\$ 2,351,818	\$ 1,744,991	\$ 2,177,311
Special Road and Bridge	1,612,270	2,152,704	2,268,252	1,496,722
Assessment	(5,583)	222,913	249,945	(32,615)
Tax Incentive Payment	8,727	0	312	8,415
Law Enforcement Training	15,410	7,281	3,837	18,854
Prosecuting Attorney Training	3,134	1,093	4,140	87
Emergency 911	(3,821)	83,569	153,649	(73,901)
Adult Abuse	3,680	3,110	3,680	3,110
Nuclear Accident Emergency Prepared	1,033	0	409	624
Local Emergency Planning Comm.	5,209	3,290	1,297	7,202
Senior Citizen Service Fund	0	13,596	29	13,567
Sheriff Crime Cost	20,108	11,140	24,820	6,428
Recorder User Fee	4,077	8,143	1,004	11,216
Probate Division Interest	162	77	0	239
Senate Bill 40	32,562	105,921	106,822	31,661
Circuit Division Interest	8,787	4,509	2,036	11,260
Associate Division Interest	16,037	14,502	2,156	28,383
Law Library	1,143	4,019	1,449	3,713
Health Center	297,472	401,446	387,642	311,276
Total	<u>\$3,590,891</u>	<u>\$ 5,389,131</u>	<u>\$ 4,956,470</u>	<u>\$ 4,023,552</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

NODAWAY COUNTY, MISSOURI
STATEMENT OF RECEIPTS AND DISBURSEMENTS AND CHANGES IN CASH
YEAR ENDED DECEMBER 31, 1999

Fund Title	Cash January 1	Receipts	Disbursements	Cash December 31
General Revenue	\$ 1,540,995	\$ 2,219,432	\$ 2,189,943	\$ 1,570,484
Special Road and Bridge	1,514,584	2,433,892	2,336,206	1,612,270
Assessment	49,747	205,281	260,611	(5,583)
Tax Incentive Payment	2,672	6,055	0	8,727
Law Enforcement Training	7,655	10,108	2,353	15,410
Prosecuting Attorney Training	1,331	1,906	103	3,134
Emergency 911	31,125	320,832	355,778	(3,821)
Adult Abuse	0	3,680	0	3,680
Nuclear Accident Emergency Prepared	2,932	0	1,899	1,033
Local Emergency Planning Comm.	3,578	3,324	1,693	5,209
Sheriff Crime Cost	17,575	17,194	14,661	20,108
Recorder User Fee	15,946	9,890	21,759	4,077
Probate Division Interest	101	61	0	162
Senate Bill 40	30,816	97,852	96,106	32,562
Circuit Division Interest	11,341	2,325	4,879	8,787
Associate Division Interest	8,201	7,836	0	16,037
Law Library	340	4,498	3,695	1,143
Health Center	289,600	397,926	390,054	297,472
Total	<u>\$ 3,528,539</u>	<u>\$ 5,742,092</u>	<u>\$ 5,679,740</u>	<u>\$ 3,590,891</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

NODAWAY COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN CASH-BUDGET AND ACTUAL-VARIOUS FUNDS

	Year Ended December 31,					
	2000			1999		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>TOTALS-VARIOUS FUNDS</u>						
RECEIPTS	\$ 5,476,090	\$ 5,389,131	\$ (86,959)	\$ 5,560,148	\$ 5,742,092	\$ 181,944
DISBURSEMENTS	6,231,736	4,956,470	1,275,266	6,042,786	5,679,740	363,046
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	\$ (755,646)	\$ 432,661	\$ 1,188,307	\$ (482,638)	\$ 62,352	\$ 544,990
CASH, JANUARY 1	3,590,891	3,590,891	0	3,528,539	3,528,539	0
CASH, DECEMBER 31	<u>\$ 2,835,245</u>	<u>\$ 4,023,552</u>	<u>\$ 1,188,307</u>	<u>\$ 3,045,901</u>	<u>\$ 3,590,891</u>	<u>\$ 544,990</u>
<u>GENERAL REVENUE FUND</u>						
RECEIPTS						
Property taxes	\$ 10,000	\$ 15,296	\$ 5,296	\$ 13,000	\$ 9,289	\$ (3,711)
Sales taxes	1,625,000	1,706,948	81,948	1,500,000	1,571,797	71,797
Intergovernmental	77,938	75,413	(2,525)	90,550	103,403	12,853
Charges for services	246,750	220,395	(26,355)	207,000	265,577	58,577
Interest	55,000	113,327	58,327	75,000	55,525	(19,475)
Other	108,324	220,439	112,115	172,850	171,841	(1,009)
Transfers in	45,000	0	(45,000)	42,000	42,000	0
Total Receipts	<u>\$ 2,168,012</u>	<u>\$ 2,351,818</u>	<u>\$ 183,806</u>	<u>\$ 2,100,400</u>	<u>\$ 2,219,432</u>	<u>\$ 119,032</u>
DISBURSEMENTS						
County Commission	\$ 92,420	\$ 91,487	\$ 933	\$ 89,465	\$ 87,610	\$ 1,855
County Clerk	91,550	85,215	6,335	91,253	87,620	3,633
Elections	72,175	71,995	180	27,800	17,145	10,655
Buildings and grounds	209,637	188,118	21,519	211,800	142,262	69,538
Employee fringe benefits	183,500	149,250	34,250	239,500	151,519	87,981
County Treasurer	68,145	68,369	(224)	67,335	66,628	707
Recorder of Deeds	68,571	68,197	374	66,488	66,560	(72)
Circuit Clerk	42,500	29,931	12,569	38,400	29,261	9,139
Associate Circuit Court	11,600	7,740	3,860	9,900	8,993	907
Court administration	4,184	0	4,184	0	0	0
Public Administrator	40,299	44,361	(4,062)	44,572	46,203	(1,631)
Sheriff	328,468	323,798	4,670	320,081	300,991	19,090
Jail	249,096	230,606	18,490	213,707	216,853	(3,146)
Prosecuting Attorney	134,030	128,151	5,879	128,194	125,631	2,563
Juvenile Officer	56,506	64,897	(8,391)	56,160	108,855	(52,695)
County Coroner	20,570	22,085	(1,515)	20,825	15,654	5,171
Public health and welfare services	2,250	684	1,566	2,250	600	1,650
Other	159,000	169,463	(10,463)	168,685	146,858	21,827
Transfers out	560,000	0	560,000	570,700	570,700	0
Emergency Fund	45,000	644	44,356	40,000	0	40,000
Total Disbursements	<u>\$ 2,439,501</u>	<u>\$ 1,744,991</u>	<u>\$ 694,510</u>	<u>\$ 2,407,115</u>	<u>\$ 2,189,943</u>	<u>\$ 217,172</u>
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	\$ (271,489)	\$ 606,827	\$ 878,316	\$ (306,715)	\$ 29,489	\$ 336,204
CASH, JANUARY 1	1,570,484	1,570,484	0	1,540,994	1,540,995	(1)
CASH, DECEMBER 31	<u>\$ 1,298,995</u>	<u>\$ 2,177,311</u>	<u>\$ 878,316</u>	<u>\$ 1,234,279</u>	<u>\$ 1,570,484</u>	<u>\$ 336,203</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

NODAWAY COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN CASH-BUDGET AND ACTUAL-VARIOUS FUNDS

	Year Ended December 31,					
	2000			1999		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>SPECIAL ROAD AND BRIDGE FUND</u>						
RECEIPTS						
Property taxes	\$ 93,000	\$ 102,425	\$ 9,425	\$ 91,531	\$ 92,635	\$ 1,104
Intergovernmental	1,743,940	1,816,276	72,336	1,736,500	1,755,802	19,302
Charges for services	0	0	0	0	0	0
Interest	85,000	104,805	19,805	50,000	95,065	45,065
Transfers in	340,000	0	(340,000)	340,000	340,000	0
Other	156,000	129,198	(210,802)	174,000	150,390	(23,610)
Total Receipts	\$ 2,261,940	\$ 2,152,704	\$ (449,236)	\$ 2,392,031	\$ 2,433,892	\$ 41,861
DISBURSEMENTS						
Salaries	\$ 190,000	\$ 165,966	\$ 24,034	\$ 175,000	\$ 164,900	\$ 10,100
Employee fringe benefits	41,300	33,903	7,397	37,388	34,939	2,449
Supplies	34,000	35,411	(1,411)	32,500	48,285	(15,785)
Insurance	27,000	14,836	12,164	25,000	24,045	955
Road and bridge materials	1,275,000	1,055,576	219,424	1,240,000	1,120,425	119,575
Equipment repairs	25,000	7,298	17,702	20,000	13,771	6,229
Equipment purchases	150,000	134,577	15,423	100,000	77,268	22,732
Construction, repair and maintenance	950,000	820,685	129,315	800,000	810,573	(10,573)
Other	0	0	0	0	0	0
Transfers out	45,000	0	45,000	42,000	42,000	0
Total Disbursements	\$ 2,737,300	\$ 2,268,252	\$ 469,048	\$ 2,471,888	\$ 2,336,206	\$ 135,682
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	\$ (475,360)	\$ (115,548)	\$ 359,812	\$ (79,857)	\$ 97,686	\$ 177,543
CASH, JANUARY 1	1,612,270	1,612,270	0	1,514,584	1,514,584	0
CASH, DECEMBER 31	\$ 1,136,910	\$ 1,496,722	\$ 359,812	\$ 1,434,727	\$ 1,612,270	\$ 177,543
<u>ASSESSMENT FUND</u>						
RECEIPTS						
Intergovernmental	\$ 202,658	\$ 219,415	\$ 16,757	\$ 216,518	\$ 199,288	\$ (17,230)
Charges for services	0	0	0	0	0	0
Interest	4,000	1,642	(2,358)	5,000	2,858	(2,142)
Other	10,000	1,856	(8,144)	17,000	3,135	(13,865)
Transfers in	85,000	0	(85,000)	0	0	0
Total Receipts	\$ 301,658	\$ 222,913	\$ (78,745)	\$ 238,518	\$ 205,281	\$ (33,237)
DISBURSEMENTS						
Salaries	\$ 144,480	\$ 144,272	\$ 208	\$ 139,853	\$ 136,891	\$ 2,962
Employee fringe benefits	27,688	23,364	4,324	13,029	11,912	1,117
Supplies	18,700	8,222	10,478	18,700	12,770	5,930
Insurance	0	0	0	12,600	11,755	845
Equipment purchases	0	0	0	3,500	1,279	2,221
Postage	5,500	3,300	2,200	5,500	5,610	(110)
Mileage/ Training	7,500	3,696	3,804	7,500	4,881	2,619
Equipment maint/ service	9,000	7,209	1,791	5,500	2,161	3,339
Auto Expense	2,000	1,253	747	2,000	499	1,501
Other	1,350	0	1,350	0	0	0
Legal Fees	13,000	7,624	5,376	13,000	14,234	(1,234)
Utilities	1,350	2,060	(710)	1,350	1,202	148
Mapping	60,000	47,292	12,708	60,000	53,698	6,302
Extra help	5,100	1,653	3,447	5,100	3,719	1,381
Total Disbursements	\$ 295,668	\$ 249,945	\$ 45,723	\$ 287,632	\$ 260,611	\$ 27,021
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	\$ 5,990	\$ (27,032)	\$ (33,022)	\$ (49,114)	\$ (55,330)	\$ (6,216)
CASH, JANUARY 1	(5,583)	(5,583)	0	49,747	49,747	0
CASH, DECEMBER 31	\$ 407	\$ (32,615)	\$ (33,022)	\$ 633	\$ (5,583)	\$ (6,216)

The accompanying Notes to the Financial Statements are an integral part of this statement.

NODAWAY COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN CASH-BUDGET AND ACTUAL-VARIOUS FUNDS

	Year Ended December 31,					
	2000			1999		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>TAX INCENTIVE PAYMENT FUND</u>						
RECEIPTS						
Charges for services	\$ 0	\$ 0	\$ 0	\$ 10	\$ 6,055	\$ 6,045
Interest	0	0	0	0	0	0
Other	0	0	0	0	0	0
Transfers in	0	0	0	0	0	0
Total Receipts	\$ 0	\$ 0	\$ 0	\$ 10	\$ 6,055	\$ 6,045
DISBURSEMENTS						
Fees and Registration	\$ 1,000	\$ 312	\$ 688	\$ 250	\$ 0	\$ 250
Travel	1,000	0	1,000	250	0	250
Supplies	0	0	0	0	0	0
Insurance	0	0	0	0	0	0
Equipment	0	0	0	0	0	0
Mileage and training	0	0	0	0	0	0
Total Disbursements	\$ 2,000	\$ 312	\$ 1,688	\$ 500	\$ 0	\$ 500
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	\$ (2,000)	\$ (312)	\$ 1,688	\$ (490)	\$ 6,055	\$ 6,545
CASH, JANUARY 1	8,727	8,727	0	2,672	2,672	0
CASH, DECEMBER 31	\$ 6,727	\$ 8,415	\$ 1,688	\$ 2,182	\$ 8,727	\$ 6,545
<u>LAW ENFORCEMENT TRAINING FUND</u>						
RECEIPTS						
Charges for services	\$ 10,000	\$ 7,281	\$ (2,719)	\$ 5,000	\$ 10,108	\$ 5,108
Total Receipts	\$ 10,000	\$ 7,281	\$ (2,719)	\$ 5,000	\$ 10,108	\$ 5,108
DISBURSEMENTS						
Tuition	\$ 5,000	\$ 0	\$ 5,000	\$ 1,500	\$ 0	\$ 1,500
Mileage	2,000	0	2,000	800	0	800
Training	5,000	3,837	1,163	3,000	2,353	647
Total Disbursements	\$ 12,000	\$ 3,837	\$ 8,163	\$ 5,300	\$ 2,353	\$ 2,947
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	\$ (2,000)	\$ 3,444	\$ 5,444	\$ (300)	\$ 7,755	\$ 8,055
CASH, JANUARY 1	15,410	15,410	0	7,655	7,655	0
CASH, DECEMBER 31	\$ 13,410	\$ 18,854	\$ 5,444	\$ 7,355	\$ 15,410	\$ 8,055
<u>PROSECUTING ATTORNEY TRAINING FUND</u>						
RECEIPTS						
Intergovernment Revenues	\$ 1,800	\$ 1,093	\$ (707)	\$ 1,430	\$ 1,906	\$ 476
Total Receipts	\$ 1,800	\$ 1,093	\$ (707)	\$ 1,430	\$ 1,906	\$ 476
DISBURSEMENTS						
Tuition	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Mileage/ Training	1,000	1,644	(644)	500	103	397
Other	0	2,496	(2,496)	1,000	0	1,000
Total Disbursements	\$ 1,000	\$ 4,140	\$ (3,140)	\$ 1,500	\$ 103	\$ 1,397
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	\$ 800	\$ (3,047)	\$ (3,847)	\$ (70)	\$ 1,803	\$ 1,873
CASH, JANUARY 1	3,134	3,134	0	1,331	1,331	0
CASH, DECEMBER 31	\$ 3,934	\$ 87	\$ (3,847)	\$ 1,261	\$ 3,134	\$ 1,873

The accompanying Notes to the Financial Statements are an integral part of this statement.

NODAWAY COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN CASH-BUDGET AND ACTUAL-VARIOUS FUNDS

	Year Ended December 31,					
	2000			1999		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>911 FUND</u>						
RECEIPTS						
Charges for services	\$ 80,000	\$ 83,569	\$ 3,569	\$ 75,000	\$ 78,764	\$ 3,764
Interest	0	0	0	1,000	4,306	3,306
Other	135,000	0	(135,000)	0	7,062	7,062
Transfers in	0	0	0	230,700	230,700	0
Total Receipts	\$ 215,000	\$ 83,569	\$ (131,431)	\$ 306,700	\$ 320,832	\$ 14,132
DISBURSEMENTS						
Personnel	\$ 90,288	\$ 58,957	\$ 31,331	\$ 95,433	\$ 80,236	\$ 15,197
Equipment	45,000	30,886	14,114	49,500	21,716	27,784
Other	44,800	58,806	(14,006)	71,240	98,968	(27,728)
Signs	29,200	5,000	24,200	120,000	154,858	(34,858)
Total Disbursements	\$ 209,288	\$ 153,649	\$ 55,639	\$ 336,173	\$ 355,778	\$ (19,605)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 5,712	\$ (70,080)	\$ (75,792)	\$ (29,473)	\$ (34,946)	\$ (5,473)
CASH, JANUARY 1	(3,821)	(3,821)	0	31,125	31,125	0
CASH, DECEMBER 31	\$ 1,891	\$ (73,901)	\$ (75,792)	\$ 1,652	\$ (3,821)	\$ (5,473)
<u>ADULT ABUSE</u>						
RECEIPTS						
Other	\$ 0	\$ 3,110	\$ 3,110	\$ 0	\$ 3,680	\$ 3,680
Total Receipts	\$ 0	\$ 3,110	\$ 3,110	\$ 0	\$ 3,680	\$ 3,680
DISBURSEMENTS						
Other	\$ 1,032	\$ 3,680	\$ (2,648)	\$ 0	\$ 0	\$ 0
Total Disbursements	\$ 1,032	\$ 3,680	\$ (2,648)	\$ 0	\$ 0	\$ 0
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (1,032)	\$ (570)	\$ 462	\$ 0	\$ 3,680	\$ 3,680
CASH, JANUARY 1	3,680	3,680	0	0	0	0
CASH, DECEMBER 31	\$ 2,648	\$ 3,110	\$ 462	\$ 0	\$ 3,680	\$ 3,680
<u>NUCLEAR ACCIDENT EMERGENCY PREPAREDNESS</u>						
RECEIPTS						
Others	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Receipts	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
DISBURSEMENTS						
NAEP Expenses	\$ 1,032	\$ 409	\$ 623	\$ 1,200	\$ 1,899	\$ (699)
Total Disbursements	\$ 1,032	\$ 409	\$ 623	\$ 1,200	\$ 1,899	\$ (699)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (1,032)	\$ (409)	\$ 623	\$ (1,200)	\$ (1,899)	\$ (699)
CASH, JANUARY 1	1,033	1,033	0	2,932	2,932	0
CASH, DECEMBER 31	\$ 1	\$ 624	\$ 623	\$ 1,732	\$ 1,033	\$ (699)

The accompanying Notes to the Financial Statements are an integral part of this statement.

NODAWAY COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN CASH-BUDGET AND ACTUAL-VARIOUS FUNDS

	Year Ended December 31,					
	2000			1999		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>LOCAL EMERGENCY PLANNING COMM.</u>						
RECEIPTS						
Intergovernmental revenues	\$ 0	\$ 3,290	\$ 3,290	\$ 3,300	\$ 3,324	\$ 24
Total Receipts	\$ 0	\$ 3,290	\$ 3,290	\$ 3,300	\$ 3,324	\$ 24
DISBURSEMENTS						
Local Emergency Planning Commission	5,209	1,297	3,912	2,500	1,693	807
Total Disbursements	\$ 5,209	\$ 1,297	\$ 3,912	\$ 2,500	\$ 1,693	\$ 807
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	\$ (5,209)	\$ 1,993	\$ 7,202	\$ 800	\$ 1,631	\$ 831
CASH, JANUARY 1	5,209	5,209	0	3,578	3,578	0
CASH, DECEMBER 31	\$ 0	\$ 7,202	\$ 7,202	\$ 4,378	\$ 5,209	\$ 831
<u>SENIOR CITIZEN SERVICE FUND</u>						
RECEIPTS						
Property Tax Revenues	\$ 0	\$ 13,579	\$ 13,579			
Interest Income	0	17	17			
Total Receipts	\$ 0	\$ 13,596	\$ 17			
DISBURSEMENTS						
Misc. Bank Fees	0	29	(29)			
Total Disbursements	\$ 0	\$ 29	\$ (29)			
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	\$ 0	\$ 13,567	\$ 13,567			
CASH, JANUARY 1	0	0	0			
CASH, DECEMBER 31	\$ 0	\$ 13,567	\$ 13,567			
<u>SHERIFF CRIME COST</u>						
RECEIPTS						
Intergovernmental Revenues	\$ 0	\$ 3,055	\$ 3,055	\$ 0	\$ 0	\$ 0
Charges for Services	20,000	8,085	(11,915)	20,500	17,164	(3,336)
Interest Income	0	0	0	0	30	30
Total Receipts	\$ 20,000	\$ 11,140	\$ (8,860)	\$ 20,500	\$ 17,194	\$ (3,306)
DISBURSEMENTS						
Equipment	\$ 20,000	\$ 24,820	\$ (4,820)	\$ 15,000	\$ 14,661	\$ 339
Total Disbursements	\$ 20,000	\$ 24,820	\$ (4,820)	\$ 15,000	\$ 14,661	\$ 339
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	\$ 0	\$ (13,680)	\$ (13,680)	\$ 5,500	\$ 2,533	\$ (2,967)
CASH, JANUARY 1	20,108	20,108	0	17,575	17,575	0
CASH, DECEMBER 31	\$ 20,108	\$ 6,428	\$ (13,680)	\$ 23,075	\$ 20,108	\$ (2,967)

The accompanying Notes to the Financial Statements are an integral part of this statement.

NODAWAY COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN CASH-BUDGET AND ACTUAL-VARIOUS FUNDS

	Year Ended December 31,					
	2000			1999		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>RECORDER USER FEE</u>						
RECEIPTS						
Charges for Services	\$ 9,000	\$ 7,670	\$ (1,330)	\$ 8,500	\$ 8,938	\$ 438
Interest Income	400	473	73	0	952	952
Total Receipts	\$ 9,400	\$ 8,143	\$ (1,257)	\$ 8,500	\$ 9,890	\$ 1,390
DISBURSEMENTS						
Microfilm	\$ 1,000	\$ 1,004	\$ (4)	\$ 0	\$ 865	\$ (865)
Replacement/Maintenance	540	0	540	0	20,894	(20,894)
Repair	460	0	460	0	0	0
Total Disbursements	\$ 2,000	\$ 1,004	\$ 996	\$ 0	\$ 21,759	\$ (21,759)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 7,400	\$ 7,139	\$ (261)	\$ 8,500	\$ (11,869)	\$ (20,369)
CASH, JANUARY 1	4,077	4,077	0	15,946	15,946	0
CASH, DECEMBER 31	\$ 11,477	\$ 11,216	\$ (261)	\$ 24,446	\$ 4,077	\$ (20,369)
<u>PROBATE DIVISION INTEREST</u>						
RECEIPTS						
Other	\$ 0	\$ 77	\$ 77	\$ 0	\$ 61	\$ 61
Total Receipts	\$ 0	\$ 77	\$ 77	\$ 0	\$ 61	\$ 61
DISBURSEMENTS						
Other	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Disbursements	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 0	\$ 77	\$ 77	\$ 0	\$ 61	\$ 61
CASH, JANUARY 1	162	162	0	101	101	0
CASH, DECEMBER 31	\$ 162	\$ 239	\$ 77	\$ 101	\$ 162	\$ 61
<u>SENATE BILL 40</u>						
RECEIPTS						
Property Tax Revenues	\$ 100,000	\$ 105,139	\$ 5,139	\$ 90,000	\$ 97,071	\$ 7,071
Interest Income	800	782	(18)	0	781	781
Total Receipts	\$ 100,800	\$ 105,921	\$ 5,121	\$ 90,000	\$ 97,852	\$ 7,852
DISBURSEMENTS						
Office Expenditures	\$ 600	\$ 570	\$ 30	\$ 500	\$ 570	\$ (70)
Payments to Other Qualified Individuals	18,000	17,655	345	14,400	17,879	(3,479)
NOCOMO Ind	80,000	88,597	(8,597)	75,100	77,657	(2,557)
Total Disbursements	\$ 98,600	\$ 106,822	\$ (8,222)	\$ 90,000	\$ 96,106	\$ (6,106)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 2,200	\$ (901)	\$ (3,101)	\$ 0	\$ 1,746	\$ 1,746
CASH, JANUARY 1	32,562	32,562	0	30,816	30,816	0
CASH, DECEMBER 31	\$ 34,762	\$ 31,661	\$ (3,101)	\$ 30,816	\$ 32,562	\$ 1,746

The accompanying Notes to the Financial Statements are an integral part of this statement.

NODAWAY COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN CASH-BUDGET AND ACTUAL-VARIOUS FUNDS

	Year Ended December 31,					
	2000			1999		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>CIRCUIT DIVISION INTEREST</u>						
RECEIPTS						
Other	\$ 0	\$ 4,509	\$ 4,509	\$ 0	\$ 2,325	\$ 2,325
Total Receipts	\$ 0	\$ 4,509	\$ 4,509	\$ 0	\$ 2,325	\$ 2,325
DISBURSEMENTS						
Other	\$ 0	\$ 2,036	\$ (2,036)	\$ 0	\$ 4,879	\$ (4,879)
Total Disbursements	\$ 0	\$ 2,036	\$ (2,036)	\$ 0	\$ 4,879	\$ (4,879)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 0	\$ 2,473	\$ 2,473	\$ 0	\$ (2,554)	\$ (2,554)
CASH, JANUARY 1	8,787	8,787	0	11,341	11,341	0
CASH, DECEMBER 31	\$ 8,787	\$ 11,260	\$ 2,473	\$ 11,341	\$ 8,787	\$ (2,554)
<u>ASSOCIATE DIVISION INTEREST</u>						
RECEIPTS						
Other	\$ 0	\$ 14,502	\$ 14,502	\$ 0	\$ 7,836	\$ 7,836
Total Receipts	\$ 0	\$ 14,502	\$ 14,502	\$ 0	\$ 7,836	\$ 7,836
DISBURSEMENTS						
Other	\$ 0	\$ 2,156	\$ (2,156)	\$ 0	\$ 0	\$ 0
Total Disbursements	\$ 0	\$ 2,156	\$ (2,156)	\$ 0	\$ 0	\$ 0
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 0	\$ 12,346	\$ 12,346	\$ 0	\$ 7,836	\$ 7,836
CASH, JANUARY 1	16,037	16,037	0	8,201	8,201	0
CASH, DECEMBER 31	\$ 16,037	\$ 28,383	\$ 12,346	\$ 8,201	\$ 16,037	\$ 7,836
<u>LAW LIBRARY</u>						
RECEIPTS						
Other	\$ 0	\$ 4,019	\$ 4,019	\$ 0	\$ 4,498	\$ 4,498
Total Receipts	\$ 0	\$ 4,019	\$ 4,019	\$ 0	\$ 4,498	\$ 4,498
DISBURSEMENTS						
Other	\$ 0	\$ 1,449	\$ (1,449)	\$ 0	\$ 3,695	\$ (3,695)
Total Disbursements	\$ 0	\$ 1,449	\$ (1,449)	\$ 0	\$ 3,695	\$ (3,695)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 0	\$ 2,570	\$ 2,570	\$ 0	\$ 803	\$ 803
CASH, JANUARY 1	1,143	1,143	0	340	340	0
CASH, DECEMBER 31	\$ 1,143	\$ 3,713	\$ 2,570	\$ 340	\$ 1,143	\$ 803

The accompanying Notes to the Financial Statements are an integral part of this statement.

NODAWAY COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN CASH-BUDGET AND ACTUAL-VARIOUS FUNDS

	Year Ended December 31,					
	2000			1999		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
HEALTH CENTER						
RECEIPTS						
Property taxes	\$ 98,000	\$ 105,175	\$ 7,175	\$ 93,000	\$ 97,105	\$ 4,105
Intergovernmental	256,480	257,236	756	270,059	264,937	(5,122)
Charges for services	17,500	15,878	(1,622)	14,800	16,843	2,043
Interest	10,000	14,363	4,363	10,000	11,011	1,011
Other	5,500	8,794	3,294	5,900	8,030	2,130
Total Receipts	\$ 387,480	\$ 401,446	\$ 13,966	\$ 393,759	\$ 397,926	\$ 4,167
DISBURSEMENTS						
Salaries	\$ 268,500	\$ 264,173	\$ 4,327	\$ 267,304	\$ 261,716	\$ 5,588
Office expenditures	119,606	108,105	11,501	135,674	113,280	22,394
Equipment	8,000	4,240	3,760	10,000	4,965	5,035
Mileage and training	11,000	11,124	(124)	11,000	10,093	907
Other	0	0	0	0	0	0
Total Disbursements	\$ 407,106	\$ 387,642	\$ 19,464	\$ 423,978	\$ 390,054	\$ 33,924
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (19,626)	\$ 13,804	\$ 33,430	\$ (30,219)	\$ 7,872	\$ 38,091
CASH, JANUARY 1	297,472	297,472	0	289,600	289,600	0
CASH, DECEMBER 31	\$ 277,846	\$ 311,276	\$ 33,430	\$ 259,381	\$ 297,472	\$ 38,091

The accompanying Notes to the Financial Statements are an integral part of this statement.

Notes to the Financial Statements

NODAWAY COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Reporting Entity and Basis of Presentation

The accompanying special-purpose financial statements present the receipts, disbursements and changes in cash of various funds of Nodaway County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the County. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission, an elected official, or the Health Center Board of Trustees. The General Revenue Fund is the County's general operating fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

B. Basis of Accounting

The financial statements were prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. The basis of accounting differs from generally accepted accounting principles, which require revenues to be recognized when they become available and measurable or when they are earned and expenditures or expenses to be recognized when the related liabilities are incurred.

C. Budgets and Budgetary Practices

The County Commission and other applicable boards are responsible for the preparation and approval of budgets for various county funds in accordance with Section 50.525 through 50.745 RSMo 2000, the county budget law. These budgets are adopted on the cash basis of accounting.

Although adoption of a formal budget is required by law, the County did not adopt formal budgets for the following funds:

Fund	Years Ended December 31
Probate Division Interest	2000 and 1999
Circuit Division Interest	2000 and 1999
Associate Division Interest	2000 and 1999
Law Library	2000 and 1999
Senior Citizens Fund	2000
Adult Abuse	2000 and 1999

Warrants issued were in excess of budgeted amounts for the following funds:

Fund	Years Ended December 31
Emergency 911	1999
Prosecuting Attorney Training Fund	2000
Nuclear Accident Emergency Preparedness	1999
Sheriff Crime Cost	2000
Recorder User Fee	1999
Senate Bill 40	2000 and 1999

Section 50.740, RSMo 2000, prohibits expenditures in excess of the approved budgets.

D. Published Financial Statements

Under Sections 50.800 and 50.810, RSMo 2000, the County Commission is responsible for preparing and publishing in a local newspaper a detailed annual financial statement for the County. The financial statement is required to show receipts or revenues, disbursements or expenditures, and beginning and ending balances for each fund.

However, the County's published financial statements did not include the following funds:

Fund	Years Ended December 31
Adult Abuse	2000 and 1999
Probate Division Interest	2000 and 1999
Circuit Division Interest	2000 and 1999
Associate Division Interest	2000 and 1999
Law Library	2000 and 1999
Senior Citizen Fund	2000

2. Cash

Section 110.270, RSMo 2000, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreement, in U.S. Treasury and agency obligations. In addition, Section 30.950, RSMo 2000, requires political subdivisions with authority to invest in instruments other than depository accounts at financial institutions to adopt a written investment policy. Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation. The County has not adopted such a policy.

In accordance with Statement No. 3 of the Governmental Accounting Standards Board, ***Deposits with Financial Institutions, Investments (Including Repurchase Agreements), and Reverse Repurchase Agreements***, disclosures are provided below regarding the risk of potential loss of cash deposits. For the purpose of these disclosures, deposits with financial institutions are demand, time, and savings accounts, including certificates of deposit and negotiable order of withdrawal accounts, in banks, savings institutions, and credit unions.

The financial statements do not include the cash balances of the Ex Officio County Collector, who collects and distributes property taxes as an agent for various local governments. However, for the purpose of these risk disclosures, the Ex Officio County Collector's cash balances are included since collateral securities to cover amounts not covered by federal depository insurance are pledged to the county rather than to specific county officials.

To protect the safety of County deposits, Section 110.020, RSMo 2000, requires depositories to pledge collateral securities to secure county deposits not insured by the Federal Deposit Insurance Corporation.

The health center Board of Trustees' deposits at December 31, 2000 and 1999, were entirely covered by federal depository insurance or by collaterals held by the safekeeping department of an affiliate of the same bank holding company.

Of the County's bank balance at December 31, 2000, \$5,161,817 was covered by federal depository insurance or by collateral securities held by the County's custodial bank in the County's name, \$100,000 was covered by collateral pledged by one bank and held in the County's name by an affiliate of the same bank holding company.

Of the County's bank balance at December 31, 1999, \$5,300,137 was covered by federal depository insurance or by collateral securities held by the County's custodial bank in the County's name, \$100,000 was covered by collateral pledged by one bank and held in the County's name by an affiliate of the same bank holding company.

Supplementary Schedule

SCHEDULE A

NODAWAY COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures Year Ended December 31,	
			2000	1999
	U.S. DEPARTMENT OF AGRICULTURE			
	Passed through state:			
10.557	Department of Health- Special Supplemental Nutrition Program for Women, Infants and Children	ER0045-9174	\$ 34,060	\$ 39,464
	U.S. DEPARTMENT OF JUSTICE			
	Direct Program:			
16.710	Public Safety Partnership and Community Policing Grants	MO07400U	22,142	20,791
	Passed through state:			
16.540	Department of Public Safety- Juvenile Justice and Delinquency Prevention	AOC8000269	35,873	31,522
	U.S. DEPARTMENT OF TRANSPORTATION			
	Passed through state:			
20.205	Highway and Transportation Commission- Highway Planning and Construction	BRO - 074	827,790	745,702
20.703	Emergency Management Agency	N/A	2,602	0
	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
	Direct Program:			
93.268	Department of Health - Immunization Grant - Vaccines	N/A	46,142	38,149
	Passed through state:			
	Department of Health-			
93.268	Immunization Grant	PG0064-9174IAP	0	990
93.575	Childcare Health Consultation	PGA067-0174C	1,380	1,205
	Sanitation Inspections for Child Care Facilities	PGA067-0174S	2,025	3,325
93.991	Preventive Health and Health Services Block Grant			
	Multi-County Health Educator Initiative	AOC9000170	26,096	28,522
	Vaccines		549	454
93.994	Maternal and Child Health Services Block Grant	ERS146-0174M	24,677	19,901
	Dental Sealant	C10015053	411	231
	Vaccines	N/A	2,747	2,271
	Total Expenditures of Federal Awards		<u>\$ 1,026,494</u>	<u>\$ 932,527</u>

N/A - Not Applicable

The accompanying Notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

Notes to the Supplementary Schedule

NODAWAY COUNTY, MISSOURI
NOTES TO THE SUPPLEMENTARY SCHEDULE

Summary of Significant Accounting Policies

A. Purpose of Schedule of Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with OMB Circular A-133. This Circular requires a schedule that provides total federal awards expended for each federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available.

The Schedule includes all federal financial awards administered by Nodaway County, Missouri.

B. Basis of Presentation

OMB Circular A-133 includes these definitions, which govern the contents of the schedule:

“Federal financial assistance means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals...”

“Federal award means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.” Accordingly, the schedule includes expenditures of both cash and noncash awards.

C. Basis of Accounting

Except as noted below, the schedule is presented on the cash basis of accounting, which recognizes amounts only when disbursed in cash.

Amounts for the Immunization Grant (CFDA Number 93.268) of \$49,438 And \$40,874 represent the estimated value of vaccines, received in 2000 and 1999, respectively.

FEDERAL AWARDS – SINGLE AUDIT SECTION

Independent Auditor's Report

McBRIDE, LOCK & ASSOCIATES

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH OMB CIRCULAR A-133

To the State Auditor of Missouri,
and the County Commission of
Nodaway County, Missouri

Compliance

We have audited the compliance of Nodaway County, Missouri with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major Federal programs for each of the years ended December 31, 2000 and 1999. The County's major Federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major Federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County's compliance with those requirements.

In our opinion, Nodaway County, Missouri complied, in all material respects, with the requirements referred to above that are applicable to each of its major Federal programs for each of the years ended December 31, 2000 and 1999.

Internal Control Over Compliance

The management of Nodaway County, Missouri is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to Federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major Federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relative low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the State Auditor of Missouri; management of Nodaway County, Missouri; Federal awarding agencies and pass-through entities; and other applicable government officials, and is not intended to be and should not be used by anyone other than these specified parties.

Original Signed by Auditor

McBride, Lock & Associates

June 6, 2001

Schedule

NODAWAY COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR EACH OF THE YEARS ENDED DECEMBER 31, 2000 AND 1999

Section I - Summary of Auditor's Results

Financial Statements

1. Type of auditors' report issued: Unqualified
2. Internal control over financial reporting:

Material weakness(es) identified: Yes X No

Reportable condition(s) identified not
considered to be material weaknesses? Yes X None reported
3. Noncompliance material to financial
statements noted? Yes X No

Federal Awards

4. Internal control over major programs:

Material weakness(es) identified: Yes X No

Reportable condition(s) identified not
considered to be material weaknesses? Yes X None reported
5. Type of auditors' report issued on
Compliance for major programs? Unqualified
6. Any findings disclosed that are required
to be reported in accordance with
Circular A-133, Section .510(a)? Yes X No
7. Identification of major programs:

CFDA Number
20.205

Name of Federal Program or Cluster
Highway Planning & Construction

NODAWAY COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
FOR EACH OF THE YEARS ENDED DECEMBER 31, 2000 AND 1999

8. Dollar threshold used to distinguish between
Type A and Type B programs: \$300,000
9. Auditee qualified as a low-risk auditee? Yes X No

Section II – Financial Statement Findings:

This section includes no audit findings that ***Government Auditing Standards*** requires to be reported for an audit of financial statements.

Section III – Federal Award Findings and Questioned Costs:

This section includes no audit findings that Section .510(a) of OMB Circular A-133 requires to be reported for an audit of Federal awards.

Follow-Up on Prior Audit Findings for an
Audit of Financial Statements Performed in Accordance
With *Government Auditing Standards*

NODAWAY COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH ***GOVERNMENT AUDITING STANDARDS***

The prior report issued for the two years ended December 31, 1998 included no audit findings that ***Government Auditing Standards*** requires to be reported for an audit of financial statements.

Summary Schedule of Prior Audit Findings
In Accordance With OMB Circular A-133

NODAWAY COUNTY, MISSOURI
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
IN ACCORDANCE WITH OMB CIRCULAR A-133

Section .315 of OMB Circular A-133 requires the auditee to prepare a Summary Schedule of Prior Audit Findings to report the status of all findings that are relative to federal awards and included in the prior audit report's Schedule of Findings and Questioned Costs. The summary schedule also must include findings reported in the prior audit's Summary Schedule of Prior Audit Findings, except those listed as corrected, no longer valid, or not warranting further action.

Section .500(e) of OMB Circular A-133 requires the auditor to follow up on these prior audit findings; to perform procedures to assess the reasonableness of the Summary Schedule of Prior Audit Findings; and to report, as a current year finding, when the audit concludes that the schedule materially misrepresents the status of any prior findings.

The prior audit report issued for the two years ended December 31, 1998 included no audit findings that Section .510(a) of OMB Circular A-133 requires to be reported for an audit of Federal awards.

SECTION ON OTHER MATTERS

NODAWAY COUNTY, MISSOURI
LETTER ON OTHER MATTERS

We have audited the special-purpose financial statements of various funds of Nodaway County, Missouri, as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated June 6, 2001. We also have audited the compliance of Nodaway County, Missouri, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB Circular A-133 Compliance Supplement)* that are applicable to each of its major federal programs for the years ended December 31, 2000 and 1999, and have issued our report thereon dated June 6, 2001.

We did not audit the operations of elected officials with funds other than those presented in the special-purpose financial statements. The operations of such officials will be audited and reported on during the State Auditor's next audit of the County.

This Letter on Other Matters represents matters other than the findings, if any, reported in the accompanying Schedule of Findings and Questioned Costs. These matters resulted from our audit of the special-purpose financial statements of Nodaway County but do not meet the criteria for inclusion in the written report on compliance and on internal control over financial reporting that is required for an audit performed in accordance with *Government Auditing Standards*. Nevertheless, the County should consider these matters and take appropriate corrective action.

This Letter on Other Matters is intended for the information of the State Auditor of Missouri, management of Nodaway County, Missouri, and other applicable government officials, and is not intended to be and should not be used by anyone other than these specified parties.

1. Budgetary Practices and Published Financial Statements

Our review of the County Budgets and published financial statements revealed the following concerns:

- A. Disbursements were made in excess of approved budgeted amounts for the following funds during the two years ended December 31, 2000 as follows:

Fund	Year Ended December 31,	
	2000	1999
Emergency 911	\$ N/A	\$ 19,605
Prosecuting Attorney Training	3,140	N/A
Nuclear Accident	N/A	699
Sheriff Crime Cost	4,820	N/A
Recorder User Fee	N/A	10,369
Senate Bill 40	8,222	6,106

It was ruled in State ex rel. Strong v. Cribb, 364 Mo. 1122, 273 S.W.2d 246 (1954) that strict compliance with the county budget law is required by county officials. If there are valid reasons which necessitate excess expenditures, budget amendments should be made following the same process by which the annual budget is approved, including holding public hearings and filing the amended budget with the State Auditor's office. In addition, Section 50.622, RSMo Cum. Supp. 1998, provides that counties may amend the annual budget during any year in which the county receives additional funds which could not be estimated when the budget was adopted and that the county shall follow the same procedures required for adoption of the annual budget to amend its budget.

- B. Formal budgets were not prepared and filed with the State Auditor's office for some County funds for the years ended December 31, 2000 and 1999. These funds are used for specific purposes and are held by various County officials outside the County Treasurer's control. No documentation was available to indicate the County Commission obtained financial information regarding these funds prior to preparing the County's consolidated budget.

Chapter 50, RSMo 2000, requires preparation of annual budgets for all funds to present a complete financial plan for the ensuing year. By preparing and obtaining budgets for all County funds and activities, the County Commission is able to more efficiently evaluate all County financial resources.

- C. The annual published financial statements of the County did not include the financial activity of some County funds as required. Sections 50.800 and 50.810, RSMo 2000, provide that the financial statements are required to show receipts or revenues, disbursements or expenditures, and beginning and ending balances for all county funds. For the published financial statements to adequately inform the citizens of the county's financial activities, all monies received and disbursed by the county should be included.

Conditions similar to A-C were noted in the prior report.

Recommendation:

The County Commission:

- A. Should not authorize warrants in excess of budgeted expenditures. Extenuating circumstances should be fully documented and, if necessary, the budgets properly amended following the same process by which the annual budget is approved, including holding public hearings and filing the amended budget with the State Auditor's office.
- B. Ensure that budgets are prepared or obtained for all County funds in accordance with state law.
- C. Ensure financial information for all County funds is properly reported in the annual published financial statements.

Auditee's Response:

- A. The County Commission will keep tighter control of expenditures and make necessary budget amendments, including public hearings and filing amended budget with the State Auditor's office.
- B. The County Commission will take the necessary steps to obtain and prepare budgets for all County funds.
- C. The County Commission will take the necessary steps to properly report all County funds in the annual published financial statements.

Auditor's Comment:

The above actions should alleviate future concerns.

2. General Fixed Assets

Our review of the County's general fixed asset records and procedures indicated the following areas in which improvements are needed:

- A. Not all general fixed asset items were numbered, tagged or otherwise identified as County property. Property control tags should be affixed to all fixed asset items to help improve accountability and to ensure that assets are properly identified as belonging to the County.
- B. The County Clerk maintains a computerized listing of general fixed assets held by county officials. Our review of these records and related procedures indicate improvements are needed to ensure the general fixed asset records are complete.

Additions and dispositions of fixed assets are generally recorded annually when the physical inventory is performed. Although the County Clerk conducts an annual inventory of general fixed assets, inventory procedures consist of providing various offices with the previous year's general fixed asset list and relying on those offices to provide applicable additions and deletions information. The County Clerk does not reconcile general fixed asset purchases to additions to the general fixed asset inventory in order to verify changes to the records. In addition, formal disposition approval and documentation procedures are not in place.

Adequate general fixed asset records and procedures are necessary to meet statutory requirements, secure better internal controls over County assets, and provide a basis for determining proper insurance coverage.

Similar conditions were noted in the prior report. However, it should be noted that the County has issued a new procedure to assist in maintenance of the fixed asset inventory.

Recommendation:

The County Clerk:

- A. Ensure all fixed asset items are properly numbered, tagged, or otherwise identified as County property.
- B. Establish procedures to ensure fixed asset purchases and dispositions are properly recorded on the fixed asset records as they occur, periodically reconcile asset purchases to fixed asset record additions, and ensure fixed asset records provide detailed description of each item.

Auditee's Response:

- A. The County Clerk will take the necessary steps to ensure that all County property is properly numbered, tagged and identified.
- B. The County Clerk will establish procedures to record assets as they are purchased with the computerized fixed asset report.

Auditor's Comment:

The above actions should alleviate future concerns.

3. Health Center Financial Controls

- A. Review of internal controls revealed that petty cash was not being reconciled timely.
- B. Review of stale-dated check procedures revealed that checks were not being cancelled when replaced with a new check.

Recommendation:

- A. We recommend that to strengthen controls, the petty cash be reconciled in a timely manner.
- B. We recommend that checks be cancelled before being reissued.

Auditee's Response:

- A. The Administrator of the Health Center will be responsible for reconciling petty cash on a monthly basis. This practice began on June 11, 2001 and will continue monthly. The reconciliation will be documented in the Petty Cash book on the date it occurs.
- B. The Administrator of the Health Center will be responsible for cancelling stale-dated checks when replaced with a new check. This will be documented on the Board of Trustee's monthly Treasurer's Report on the month the check was cancelled and reissued.

Auditor's Comment:

The above actions should alleviate future concerns.

NODAWAY COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS

In accordance with ***Government Auditing Standards***, this section reports the auditor's follow-up on action taken by Nodaway County, Missouri, on findings in the Management Advisory Report (MAR) of our prior audit issued for the three years ended December 31, 1998. The prior recommendations which have not been implemented, but are considered significant, have been repeated in the current MAR. Although the remaining unimplemented recommendations have not been repeated, the County should consider implementing these recommendations:

1. Personnel Policy and Procedures

- A. Requirements for earning compensatory time are not clear.
- B. Centralized leave and compensatory records are not maintained by County Clerk.
- C. Personnel files do not always have signed current authorizations for payroll deductions.
- D. Timesheets were not reviewed and approved by supervisors.
- E. Inconsistencies in holiday pay for part-time employees.

Recommendation:

- A. Develop written policies that provide clear guidance as to when compensatory time can be earning.
- B. Require the County Clerk maintain centralized records of vacation leave, sick leave and compensatory time earned, taken, and paid for all county employees.
- C. Maintain complete personnel files for each county employees, including current authorizations for payroll deductions and payments.
- D. Ensure employee time sheets are signed by applicable supervisors indicating their approval.
- E. Ensure part-time employees are compensated for holiday pay in accordance with county policy.

Status:

Implemented.

2. Budgetary Practices and Published Financial Statements

- A. Warrants were issued in excess of approved budgeted expenditures.
- B. Formal budgets were not prepared for various County funds for the years ended December 31, 1998 and 1997.
- C. The annual published financial statements of the County did not include the financial activity of some County funds as required.

Recommendation:

The County Commission:

- A. Not authorize warrants in excess of budgeted expenditures.
- B. Ensure budgets are prepared or obtained for all County funds.
- C. Ensure financial information for all County funds is properly reported in the annual published financial statements.

Status:

A, B & C. Not implemented. See Letter on Other Matters No. 1.

3. Collateral Securities

The amount of collateral securities pledged by the County's depository banks in December 1998 and 1997 were sufficient, however, because of significantly higher bank balances at certain times during the year, uninsured and uncollateralized balances existed at those times although not at year-end.

Recommendation:

The County Treasurer and Ex Officio Collector should ensure collateral securities pledged by the depository banks are sufficient at all times.

Status:

Implemented.

4. General Fixed Assets

A. Adequate fixed assets records and procedures are not developed.

Recommendation:

The County Clerk:

A. Establish procedures to ensure fixed assets purchases and dispositions are properly recorded.

Status:

Not implemented. See Letter on Other Matters No. 2.